actually took the VRS. However, there is no ban on recruitment in the PSBs. As regards the appointments on compassionate grounds, the PSBs are in process of formulating their own schemes for payment of ex-gratia lump sum amount in lieu of compassionate aooointments to the dependents of deceased employees, on merits.

FDI policy for PIO in aviation sector

852. SHRIMATI KAMLA MANHAR:
SHRI C. RAMACHANDRAIAH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that according to Foreign Exchange Management (Transfer of Issue of Security by a person resident outside India) Regulations, 2000 and Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations 2000, the provisions of the FDI policy in domestic aviation sector also apply to Persons of Indian Origin (PIO);

(b) if so, the details thereof;

(c) whether as per regulations and the prevalent policy of Government, the investment by Non-Resident Indians (NRIs) and PIO are treated at par as far as investments in domestic aviation sector is concerned, and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Generally PIOs are given the same status in the sphere of investments in India as given to NRIs. However, in the Civil Aviation Sector, the issue of PIO Cardholders being accorded a dispensation similar to NRIs in case of FDI is under examination.

Income Tax raids on builders of Mumbai

853. SHRI UDAY PRATAP SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income Tax authorities had conducted search into the premises of leading builders of Mumbai;

(b) if so, the details thereof;

(c) whether it is also a fact that these builders are promoted by a large pharmaceutical company;

(d) whether it is also a fact that Income Tax authorities have tried to hush up the cases; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The Income Tax Department has conducted searches in the premises of some of the builders of Mumbai, during Financial Year 2004-05.

(b) Under the Income Tax Act, investigation culminates into as assessment which then is a subject matter of appeal. The appeals often go up to High Court/Supreme Court. The results of the Search and Seizure, which is a tool of investigation, are known only when appeals, etc. are finalized.

(c) All these builders are not promoted by one pharmaceutical company. However, one of them has close connections with pharmaceutical business.

(d)No, Sir.

(e) Does not arise in view of reply to part (d) above.

Financial autonomy for profit making PSUs

854. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to grant financial autonomy to the profit making public sector undertakings by allowing them to invest in joint ventures; and

(b) if so, whether any final decision has been taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. The Board of Directors of Navratna and Miniratna PSEs were delegated powers to establish joint ventures and subsidiaries subject to certain ceilings. Government have since approved enhancement of the ceiling on investment in